

NSC BRIEFING

24 September 1954

SITUATION IN SOUTH VIETNAM

I. Vietnamese crisis likely to be resolved by intrigue, not force.

A. Either way, French troops major factor.

1. 100,000 French troops in south; 67,000 still in north; they far outclass Viet army (145,000 in south, 35,000 in north.)

B. Also, French control arms supply.

1. This bears on failure senior Viet officers support Diem.

C. Diem has no reliable armed force.

1. But army rank and file would not be likely to move against him.

State Department review completed

2. Warlords uncommitted--

Cao Dai has 10,000; dis-
united Hoa Hao has 15-
20,000; Binh Xuyen 3-5,000.

II. Diem needs Cao Dai and Hoa Hao.

- A. With their support, he can
maneuver politically on
assumption French will not
permit armed strife.
- B. Hoa Hao and Cao Dai now hostile
Binh Xuyen, splitting earlier
alliance.
- C. Cao Dai keep telling US embassy
they and Hoa Hao about to back
Diem.
 - 1. Say French giving con-
tradictory advice this
matter.
 - 2. French subsidies to sects
give them leverage.

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III. Bao Dai key factor in situation.

- A. Legal arbiter of govt change.
- B. All parties pressing him.
- C. French say Bao Dai will oust
Diem in few days.

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IV. French actions aid Viet Minh.

V. Viet Minh interested in political
crisis in south.

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1. Thus, French and Viet
Minh have common desire
govt in south which weak,
not pro-US.

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